

Headquarters
California Army National Guard
Sacramento, CA
15 September 1997

*California Army National Guard
Regulation 37-1

Effective 1 October 1997

Financial Administration

Administrative Control of Appropriated Funds

FOR THE GOVERNOR:

TANDY K. BOZEMAN

*Major General
The Adjutant General*

OFFICIAL:



KENNETH C. KLEINE

*COL, AV, CAARNG
Director of Administration*

History. This regulation replaces CAL ARNGR 37-4.

Summary. This regulation establishes the procedures for the administrative control of appropriated funds in the California Army National Guard.

Applicability. This regulation applies to all elements of the California Army National Guard.

Proponent and exception authority. The proponent and exception authority of this regulation is the United States Property and Fiscal Office (USPFO). Supplementation of this regulation and establishment of command and local forms are prohibited without prior written approval from the USPFO.

Interim changes. Interim changes in this regulation are not official unless they are authenticated by the USPFO.

Suggested improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms), directly to Office of the Adjutant General CAARNG, P.O. Box 269101, Sacramento, CA 95827-9101, ATTN: USPFO Comptroller (CAUS-CM) or Budget Office (CAUS-BD).

Distribution. Distribution of this regulation is Army - A.

Contents (Listed by paragraph and page number)

Purpose • 1, page 1
Scope • 2, page 1
References • 3, page 1
Definitions • 4, page 1
Proponent • 5, page 1
Program Concept • 6, page 1
Office of the USPFO • 7, page 1
PBAC • 8, page 1
Program Directors • 9, page 1
Fund Managers • 10, page 2
Units/Activities • 11, page 2
Advice of AFP and Quarterly Allotment • 12, page 2
Quarterly Financial Objectives • 13, page 2

Fiscal Yearend Procedures • 14, page 2
Joint Reconciliation Program • 15, page 2
Reimbursements • 16, page 2
Fiscal Year Event Calendar • 17, page 2

Appendixes

A. Appointment of Program Director
B. Appointment of Fund Manager
C. Advice of AFP and Quarterly Allotment
D. Programmed Quarterly Objectives
E. Fund Control Policy & Procedures for FY
F. Fiscal Year Event Calendar

*This regulation supersedes CAL ARNGR 37-4

1. Purpose

To prescribe a basic framework for budget preparation and the administrative control of federal funds allotted to the California Army National Guard (CA ARNG). This regulation supplements the provisions of the referenced publications in paragraph 3 (References).

2. Scope

This regulation applies to all members, employees, units and activities of the CA ARNG which use federal funds.

3. References

- a. DFAS-IN Regulation 37-1, Army Accounting and Fund Control.
- b. DFAS-IN Manual 37-100-**, The Army Management Structure.
- c. NGB Pamphlet 37-1, Financial Management for National Guard Executives.
- d. Chart of Accounts, USPFO for California, Budget and Fiscal Branch, published each year.

4. Definitions See NGB Pamphlet 37-1, Section II (Terms).

5. Proponent

The proponent office for this regulation and for policy regarding budget preparation and the administrative control of federal funds is the United States Property and Fiscal Office (USPFO) Comptroller Division. Suggested changes to this regulation or any questions regarding it should be referred to the USPFO Comptroller (CAUS-CM) or Budget Office (CAUS-BD).

6. Program Concept

All federal funds specifically allotted for use by the CA ARNG are received and distributed through the USPFO for CA. The USPFO is responsible for establishing policies and procedures that ensure all federal funds received are used for their intended purpose and in accordance with applicable laws and regulations. No member, employee, organization, or unit is authorized to incur an obligation of federal funds without properly delegated authority from the USPFO for CA. The CA ARNG uses a decentralized fund control system to distribute, control and execute the CA ARNG's federal funding. The roles and responsibilities of the primary players in this system are described in Section III - Responsibilities.

7. Office of the USPFO

The USPFO is responsible for financial planning, accounting and administrative control of all federal appropriated funds allotted to the state by the NGB, to

include reimbursements from other government agencies. The USPFO, through the Comptroller Division, annually coordinates the preparation and submission of the State Operating Budget (SOB) for the CA ARNG as directed by NGB. The USPFO receives funding authorization documents (FAD's) from NGB and distributes funding to Fund Managers. The USPFO provides financial advice and information to Fund Managers, Program Directors, the Program Budget Advisory Committee (PBAC), and the Adjutant General. Necessary training is provided to Fund Managers and Program Directors to enable them to carry out their financial responsibilities. The USPFO Accounting Section maintains the only official set of accounting records for federal funds allotted to the CA ARNG. The USPFO ensures financial reporting requirements established by NGB, DFAS and others are met.

8. Program Budget Advisory Committee (PBAC)

The PBAC is established to provide advice to the Adjutant General for management of federal funds. The PBAC reviews budget submission, and recommends reprogramming actions. PBAC meetings will be scheduled generally on a quarterly basis, or as deemed necessary. The Level II PBAC consists of Program Directors (primarily directorate level officers at OTAG) appointed by the USPFO. The Senior Army Advisor and Inspector General are invited to sit in on the Level II PBAC. The Level I PBAC consists of the USPFO, the Chairman of the Level II PBAC (currently the Chief of Staff, Army Division), the DAG Army, AAG and AG and has final say on the recommendations of the Level II PBAC. Both levels of PBAC are advised by the USPFO Comptroller.

9. Program Directors

Program Directors are responsible for overall planning, coordinating, and justification of financial activities in their staff areas and serve as members of the Level II PBAC. Program Directors are appointed by the USPFO as a result of the USPFO's determination that there is a need, or at the request of one or more members of the Level I PBAC. Specific Program Director responsibilities are listed in their appointment letters, a sample of which is shown at *Appendix A* and is considered an integral part of this regulation.

10. Fund Managers

Fund Managers are appointed by the USPFO at the request of the appropriate Program Director. Most Program Directors have a supervisory relationship over the Fund Managers in their area of responsibility. Fund Managers are the only individuals directly authorized by the USPFO to incur obligations of federal funds. Fund Managers may sub-delegate this authority only with prior approval of the USPFO (CAUS-CM) and only using the procedures described in their Fund Manager Appointment Letter. Specific Fund Manager responsibilities are described in their appointment letters, a sample of which is shown at *Appendix B* and is considered an integral part of this regulation. NGB policy as of 1996 is that only full-time Federal personnel (that is Technicians/AGR) may be appointed as Fund Managers.

11. Units/Activities

For most requirements such as getting orders on requisitions processed, well established procedures exist for units/activities to use federal funds. In situations where proper procedures are not known, individuals, units or activities having a need to use federal funds for CA ARNG mission requirements must go through their chain of command and get their requests to the appropriate Fund Manager. No rank or command position automatically carries with it the authority to obligate federal funds.

12. Advice of AFP And Quarterly Allotment

Annual Funding Program (AFP) and Quarterly Allotment authorizations and adjustments will be issued to Fund Managers on USPFO Form 37-34F, Advice of AFP and Quarterly Allotment, *Appendix C*. A Fund Manager must not incur obligations (to include Current Quarter Reservations) in excess of issued Quarterly Allotment. To do so may cause an anti-deficiency violation to occur.

13. Quarterly Financial Objectives

Fund Managers will determine their quarterly financial objectives and submit them to the USPFO Budget Officer using USPFO Form 37-17F, Programmed Quarterly Objectives (PQO), *Appendix D*. Fund Managers will prepare a new PQO whenever one of the following criteria occurs:

- a. Upon receipt of tentative Annual Funding Program (AFP) for the next fiscal year (usually based on Resource Management Model estimates).
- b. Upon Receipt of an increase or decrease in AFP.
- c. Anytime there is a change in projected monthly/quarterly funding requirements.

14. Fiscal Yearend Procedures

Detailed fund control policies and procedures pertinent to the current fiscal year, with special emphasis placed on yearend policies and procedures, are published annually in memorandum form, see *Appendix E*.

15. Joint Reconciliation Program

The DFAS-IN Regulation 37-1 para 6-3c requirement that reconciliation be conducted between the Budget Officer and Fund Managers is outlined in *Appendix B*, Appointment of Fund Manager.

16. Reimbursements

Fund Managers for certain accounts may supplement their AFP through the use of Automatic Reimbursement Authority (ARA). ARA is obtained through the receipt of Military Inter Departmental Purchase Requests (MIPRs). Fund managers using MIPRs will be provided necessary training by the Fiscal Accounting Branch (CAUS-AC). All MIPRs must be sent to USPFO (ATTN: CAUS-BF).

17. Fiscal Year Event Calendar

The Fiscal Year Event Calendar outlines significant financial milestones, see *Appendix F*.



DEPARTMENTS OF THE ARMY AND AIR FORCE
NATIONAL GUARD BUREAU
US PROPERTY AND FISCAL OFFICER FOR CALIFORNIA
POST OFFICE BOX 8104
SAN LUIS OBISPO, CALIFORNIA 93403-8104



CAUS

16 December 1996

MEMORANDUM FOR Office of the Adjutant General, ATTN: CAPO
(LTC William H. Wade), P.O. Box 269101,
Sacramento, CA 95826-9101

SUBJECT: Appointment of Program Director

1. Appointment. You have been appointed Program Director for the fiscal accounts assigned to Fund Managers working in your directorate and any others listed at the enclosure. The enclosure lists the accounts you are currently responsible for and the corresponding Fund Managers as of the date of this memorandum.

2. General. Your appointment provides a basis whereby program management for Army National Guard Federal funds may be decentralized. As a Program Director you do not have direct authority to obligate federal funds. This authority rests with Fund Managers. As Program Director, you are responsible for:

a. Actively participating as a member of the Level II Program Budget Advisory Committee (PBAC).

b. Ensuring the Fund Managers under your supervision maintain adequate controls to prevent over obligation of available funds.

c. Ensuring that Fund Managers under your supervision (as established by this Appointment) properly carry out the duties and responsibilities assigned to them in their Fund Manager Appointment Memorandum.

d. Requesting in writing to CAUS-BD changes in Fund Manager appointments based on personnel or organizational changes in your directorate.

3. Directives. The primary sources of information covering the activities of Program Directors are contained in DFAS-IN Regulation 37-1, dated 18 September 1995, (Chapter 6-17), NGB Pam 37-1 (Chapters 3-6), and the

SAMPLE

CA ARNGR 37-1
APPENDIX A

CAUS

SUBJECT: Appointment of Program Director

Fund Manager's Information Binder. As a Program Director, you must become familiar with the statutes and directives contained in DFAS-IN Regulation 37-1. I will be pleased to discuss with you any questions you have as to their contents or your responsibilities as a Program Director.

4. Memorandum from this office, subject as above, as pertains to COL William Davies, dated 31 October 1995, is rescinded.

Encl

JOHN R. ALEXANDER
Colonel, NGB
USPFO for California

CF (w/encl):
CAUS-CM

SAMPLE

CA ARNGR 37-1
APPENDIX A

DIRECTOR OF PLANS AND OPERATIONS (CAPO)

<u>MAMSCO</u>	<u>ACCOUNT</u>	<u>FUND MANAGER</u>
2M11.0000	COUNTERDRUG	MILLER
2M13.0000	DRUG DEMAND REDUCTION (DDR)	MILLER
2M17.0000	DDR (FENCED ACCOUNT)	MILLER
510000.70	COUNTERDRUG	MILLER
510000.75	DDR DRUG TESTING	MILLER
510000.78	DDR EDUCATION/PREVENTION (FENCED ACCOUNT)	MILLER
510001.70	CD (RAID) PAY	MILLER
510005.00	PHYSICAL SECURITY	OUIMET
540000.60	M.S.C.A.	OUIMET

Enclosure

SAMPLE

CA ARNGR 37-1
APPENDIX A - ENCLOSURE



CAUS

DEPARTMENTS OF THE ARMY AND AIR FORCE
NATIONAL GUARD BUREAU
US PROPERTY AND FISCAL OFFICER FOR CALIFORNIA
POST OFFICE BOX 8104
SAN LUIS OBISPO, CALIFORNIA 93403-8104



27 January 1997

MEMORANDUM FOR Office of the Adjutant General, ATTN: MAJ Charlotte Miller/
CAPO-CD, Box 269101, Sacramento, CA 95826-9101

SUBJECT: Appointment of Fund Manager

1. You are appointed Fund Manager for the following Accounts and delegated the authority to certify the availability of funds for all accounts listed:

	<u>2060 Appropriation</u>
2M11.0000	Counterdrug (Fenced)
2M13.0000	Drug Demand Reduction (DDR)- (Fenced)
2M17.0000	Drug Demand Reduction (DDR) - Testing (Fenced)

	<u>2065 Appropriation</u>
510000.70	Counterdrug (Fenced)
510001.70	Tech Pay - CD Raid
540000.75	Drug Demand Reduction (DDR) - Testing (Fenced)
510000.78	Drug Demand Reduction (DDR)- Education/Prevention (Fenced)

2. You will be issued a USPFO Form 37-34, Advice of Annual Funding Program and Quarterly Obligation Plan, for your accounts. This is your authority to incur obligations against funds provided. You will also be provided various financial management reports on a monthly or other periodic basis to enable you to accomplish your responsibilities. Further delegation of this authority must be in writing. You must maintain a file of Delegation of Authority memorandums and Acknowledgment of Responsibility statements on those you delegate (see enclosures 1 and 2). Forward a copy of the delegation to the Budget Officer, ATTN: CAUS-BD/CW4 Atkins.

3. Your responsibilities as a Fund Manager include:

- Maintain informal records or review available accounting records to prevent exceeding targets you have been given.
- Ensure funds are used only for the purpose intended.
- Periodically reconcile budget accounts for which you are responsible.
- Report shortage or excesses to your Program Director and the USPFO Budget Officer as soon as they are known.

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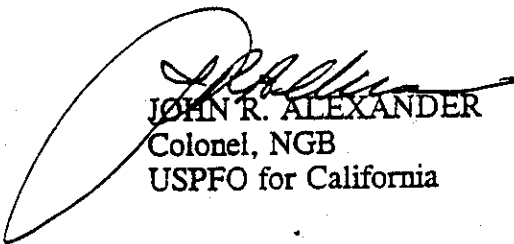
CA ARNGR 37-1
APPENDIX B

CAUS

SUBJECT: Appointment of Fund Manager

- e. Submit allotment change request for adjustments to your Annual Funding Program.
- f. Prepare draft input for the State Operating Budget Plan and Mid-Year Budget Review.
- g. Understand and be familiar with paragraphs 7-6 through 7-8, AR 37-1, dated 30 April 1991, (Antideficiency Action Violation Procedures). As Fund Manager, you must become familiar with the limitations contained in AR 37-1.
- 4. Further, you are advised that personnel liability may accrue for failure to properly control appropriated funds.
- 5. Please complete the enclosed Acceptance of Appointment and Statement of Understanding (enclosure 3) and return it to CAUS-BD no later than 28 February 1997. Any questions you have as to your responsibilities as Fund Manager should be clarified with the USPFO Budget Officer.

3 Encls



JOHN R. ALEXANDER
Colonel, NGB
USPFO for California

CF (wo/encs):
CAAG-CD/LTC McCann
CAUS-RM/MAJ Bourbeau ✓

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CA ARNGR 37-1
APPENDIX B

SAMPLE

CAUS-SU

27 January 1997

MEMORANDUM FOR Office of the Adjutant General, ATTN: CAPO-CD-J1
(SSG Rita Howard), P.O. Box 269101, Sacramento,
CA 95826-9101

SUBJECT: Delegation of Authority to Certify Federal Funds

1. Reference: Extract of paragraph 7-5 through 7-7, DFAS-IN Regulation 37-1, Army Accounting and Funds Control.
2. You are hereby delegated the authority to initiate actions on my behalf that will result in the incurring of obligations or the expenditure of Federal funds. This authority will include the following areas of responsibility:
 - a. Certifying availability of funds.
 - b. Authorizing obligations to be incurred.
 - c. Expending funds within amounts available.
 - d. Performing monthly and quarterly reconciliations.
3. The enclosed extract is provided for review and familiarization.
4. Request enclosure be signed and a copy of the completed document forwarded to CAUS-BD NLT 28 February 1997.

Encl
as

CHARLOTTE L. MILLER
MAJ, QM, CA ARNG
Resource Management Officer

SAMPLE

CA ARNGR 37-1
APPENDIX B - ENCLOSURE 1

SAMPLE

CAPO-CD-J1

15 February 1997

MEMORANDUM FOR USPFO for California, ATTN: CW4 Atkins/CAUS-BD,
P.O. Box 8104, San Luis Obispo, CA 93403-8104

SUBJECT: Acceptance of Delegation of Authority and Statement of Understanding

1. I fully understand and accept Delegation of Authority to serve as a Functional Manager or Budget Assistant of the California Army National Guard.
2. I have read DFAS-IN Regulation 37-1, dated 18 September 1995, paragraphs 7-5 through 7-7 and understand that in accordance with these chapters, I must not certify fund availability, incur an obligation, authorize the incurrence of an obligation or, expend funds in excess of amounts actually available under any administrative subdivision of funds, and I must not expend funds in excess or in advance of any appropriation or apportionment of funds for that purpose.

RITA S. HOWARD
SSG, CA ARNG
Budget Assistant

CF:
Fund Manager
CAUS-SU-CD

SAMPLE

CA ARNGR 37-1
APPENDIX B - ENCLOSURE 2

data to ask for their support in resolving problem areas including:

- (a) Obligations in excess of available funds/targets.
- (b) Obligations in excess of annual funding programs.
- (c) Potential funding shortages in a given area.
- (d) Significant upward and downward adjustments to obligations after account expiration.
- (e) Reimbursable orders executed in excess of funded reimbursement authority (FRA).
- (f) Reimbursable orders executed without authority on the funding document.
- (9) Will assure the accuracy of fund control records through evaluation of reported data.
- (10) Will perform continuous oversight responsibilities to help keep public trust and confidence.

7-4. Requirements

a. Fund Control.

(1) Distribution of funds, 31 U.S.C. 1514, Administrative Division of Apportionments, requires agencies to prescribe by regulation a system of administrative control not inconsistent with accounting procedures prescribed by law. The U.S. Army's system to control funds, according to this statute and this regulation, is the Program Budget Accounting System (PBAS). U.S. Army fund authorization documents (FADs) and fund allowance system (FAS) documents are issued by PBAS.

(2) Use commitment ledgers to verify fund availability (positive knowledge) before creating an obligation. Promptly record valid obligations incurred.

b. Fund Accounting.

(1) Establish the following two fund types as required by operations and per those funds established by the U.S. Treasury:

(a) Funds derived from general appropriations and from business operations including --

1. General Funds.
2. Special Fund accounts.
3. Revolving Funds.
4. Management Funds.

(b) Funds held by the Federal Government in the capacity of custodian or trustee including:

1. Trust Funds.
2. Deposit Funds.

(2) For each reporting entity, establish, applicable standard general ledger accounts in accordance with Chapter 4.

7-5. Antideficiency violations

a. The Antideficiency Act prohibits any officer or employee of the U.S. from making or authorizing commitments, obligations, or disbursements from any appropriation or fund in excess of the amount

available, except as authorized by law. An anti-deficiency violation occurs when --

(1) A subdivision of funds is--

(a) Over-obligated {31 U.S.C., Sections 1517 and 1514(a)(1)}.

(b) Over-disbursed {31 U.S.C., Sections 1517 and 1514(a)(1)}.

(c) Obligated in advance of appropriations {31 U.S.C. 1341 (a)(1)(B)}.

(2) A revolving, management, or working capital fund has an appropriation level deficit cash balance with the U.S. Treasury {31 U.S.C. 1341(a)(1) (A)}.

(3) A statutory limitation is exceeded by more than the stated reprogramming authority {31 U.S.C. 1517(a)(2)} -

(a) At budget line level for unexpired U.S. Army Procurement Appropriations.

(b) At program element level for unexpired RDTE appropriation.

(c) At budget activity/project level for unexpired Military Construction and Family Housing Construction appropriations.

(4) Voluntary services are accepted, except as authorized by statute (31 U.S.C. 1342).

(5) The following conditions occur concerning closed appropriations:

(a) New obligations and expenditures or adjustments to obligations and expenditures are made or authorized to/from an account in excess of the amount available in the original appropriation or fund account (that is, in excess of the unexpended balance available when the account closed).

(b) New obligations or any expenditures are made or authorized in an account closed pursuant to 31 U.S.C., Sections 1552, 1555, or 1557.

(c) New obligations and expenditures or adjustments to obligations and expenditures are made or authorized to/from any appropriation or fund account in excess of the amount apportioned or allotted to the original appropriation or fund account.

b. Formal distributions are made as allocations, suballocations, allotments, and specific limitations on fund allowance system (FAS) documents/funding authorization documents (FADs). Anti-deficiency violations occur when formal subdivisions of funds or other specific statutory limitations (minor construction limits, investment/expense thresholds, and so forth) are breached. The U.S. Army will investigate and report statutory violations to the President of the United States, U.S. Congress, Office of Management and Budget (OMB), and OSD.

c. Informal distributions of funds are made as allowances or targets on the FAS document and installation level documents. Incurring a commitment, obligation, or disbursement in excess of an allowance does not in itself create an anti-deficien-

cy violation. However, if exceeding an allowance/target causes the governing formal fund subdivision or limitation to be breached, an antideficiency violation will occur. The official who exceeded the allowance/target may be held responsible for the violation.

d. Violations caused by over-obligation or over-disbursement can occur in appropriations exempt from apportionment (for example, expired accounts) only at appropriation level. However, limitations specifically imposed by other laws (for example, the limit on Operations and Maintenance, Army (OMA) funded minor construction) remain subject to antideficiency controls. Also, Foreign Military Sales (FMS) trust fund authority execution is subject to violation reporting.

e. If a foreign currency fluctuation disbursement, charged to authorized direct funds of a designated appropriation, exceeds a statutory limitation solely because of fluctuations in a designated foreign currency, but remains within the appropriation limits, the statutory limit is increased as necessary to reflect the increase in the currency's exchange rate from the budget rate used at the time of the original obligation. As long as the obligated amount at the budget rate does not exceed a statutory limitation, there is no violation.

f. No payment may be made that would cause cumulative outlays to exceed the unexpended balance of the original (closed) appropriation.

g. An account's appropriation is the base for determining the 1 percent limitation amount (paragraph 7-6a.(5)(c)). Use of other budgetary resources is prohibited.

(1) No more than 1 percent of an unexpired account's appropriation (HQDA level) or the unobligated balance of the original appropriation, whichever is less, can be used to make payments for obligated balances canceled. For multi-year accounts, the unused, unexpired portion of the 1 percent limitation is available for use.

(2) Don't use unexpired funds issued as an allowance/allocation/allotment subject to the one (1) percent limitation for purposes other than making valid payments for obligated balances canceled.

(3) Using other unexpired funds to make payments for canceled obligated balances is prohibited. If done, it requires adjusting obligations and payments to the proper funds; that is, those subject to the 1 percent limitation. This may result in an Anti-deficiency Act violation (31 U.S.C. Title 31, 1517).

h. An over-obligation or over-disbursement is not avoided by --

- (1) Failing to post to accounting records.
- (2) A delay in posting until funds are received.

(3) Posting or charging an improper subdivision of funds.

i. To determine whether a violation occurred--

(1) Post unrecorded transactions that should have been posted in a prior accounting period when they become known and evaluate them as if they had been posted in that prior period.

(2) Evaluate upward and downward adjustments as if they had been posted in the accounting period when they were incurred.

j. An excessive or invalid reduction of funds is not itself a violation if additional obligations are neither authorized nor incurred, and the withdrawn funds are restored. If a violation occurs due to withdrawal of funds in excess of available balances, the person who authorized or directed the withdrawal is responsible.

k. A bookkeeping error is not by itself a violation, but may lead to one. For example, an obligation recorded as \$10 which should have been recorded as \$100 is not a violation. This type of bookkeeping error makes it appear that more funds are available than there are. Later, an obligation may be incurred which, when the bookkeeping error is corrected, results in an over-obligation. This is a violation.

l. Over-obligation of funds caused by inaccurate estimates or failure to reserve enough funds for contingent liabilities is a violation.

m. If a violation occurs, the receipt of more funds or a change in a limitation before the end of the accounting period does not relieve the violation or eliminate the reporting requirements.

n. Most correspondence pertaining to reports of alleged violations is exempt from mandatory release under the Freedom of Information Act. If the correspondence is exempt, mark it "FOR OFFICIAL USE ONLY", according to AR 25-55 (The Department of the Army Freedom of Information Act Program).

7-6. Processing requirements

a. Except as noted in paragraph 7-7e below, upon learning of or detecting a possible violation, the individual concerned will inform the Director of Resource Management (DRM) or person holding the equivalent position. The DRM will immediately notify the commander responsible for the allowance/allotment involved in the alleged violation. The commander --

(1) Sends a "flash report" by priority message to "DA WASHINGTON DC//SAFM-FO//. Report according to Chapter 29.

(2) Within 30 days --

(a) Appoints an investigating office whose primary responsibility is to conduct the investigation or

board of officers decides to personally conduct the investigation (in accordance with AR 15-6, Procedures for Investigating Officers and Board of Officers).

(b) Appoints both a representative from the financial management community and a lawyer to assist the investigating officer. These individuals may be either military officers or civilians. The selected individual from the financial management community should possess the necessary training or skills to resolve fiscal and accounting issues. A military officer should be a financial officer (Specialty 44) or hold the functional area, Comptroller (45). A civilian should be fully qualified, as for example, an accountant (510) or an auditor (511).

(c) Notifies the office of OASA(FM&C) of the names of the investigating officer, the individual from the financial management community, and the lawyer assigned to assist the investigating officer.

(3) Ensures the investigation is conducted quickly. Sends an original and two copies of the final report of alleged violation by letter, signed by the commander responsible for the funds involved, through command channels to: Office of the Assistant Secretary of the Army (Financial Management and Comptroller), ATTN: SAFM-FO, 109 Army Pentagon, Washington DC 20310-0109, within 120 days of discovery. Report according to Chapter 29. If it is not possible to complete the investigation and submit a report within 120 days, the commander will submit an interim report to the same/above address. Update this interim report every three (3) months until the final report is submitted. Report according to Chapter 29.

(4) After receiving formal written notice of an alleged violation from a reviewing or examining authority, such as the U.S. Army Audit Agency (AAA), the General Accounting Office (GAO), or an Inspector General (IG), reports to the ASA(FM&C) as described in (1) through (3) above. However, if the commander concerned does not agree that a violation occurred, an investigation is not required unless the audit resolution process upholds the findings of the reviewing authority. A Flash Report is still required with all of the required information prescribed in Chapter 29, except for the data pertaining to the investigating officer. Submit notification of the name of the investigating officer to the address in subparagraph (3) above, when it is determined an investigation is required.

(5) Follows AR 27-10 (Military Justice), if applicable, which implements a memorandum of understanding (MOU) between the Department of Defense (DoD) and the Department of Justice. AR 27-10 outlines areas of responsibility for investigation and prosecution of offenses where the two departments have concurrent jurisdiction.

(6) Submits a Serious Incident Report (see AR 190-40 (Serious Incident Report), if appropriate.

b. Intermediate commanders will--

(1) Review the report of alleged violation for compliance with this regulation.

(2) Return the report for corrective action if-

(a) The report is incomplete.

(b) Corrective action is inadequate, or

(c) The reported evidence does not support the findings and recommendations.

(3) Ensure that the information required by Chapter 29 is complete.

(4) State in their forwarding endorsements whether they concur with the findings and recommendations in the report.

c. The ASA(FM&C) will-

(1) Upon receipt of a flash report-

(a) Record the alleged violation.

(b) Assign a control number by fiscal year (FY) and notifies the submitter.

(2) Upon receipt of a report of alleged violation (except for those cases identified in subparagraph e below)--

(a) Review it for completeness according to Chapter 29.

(b) Require additional information from the reporting activity, as needed.

(3) Refer to the ASA(FM&C) cases that are reportable to DoD under DoD Directive 7200.1. (See Appendix B.)

(4) Notify the reporting activity of the final disposition of the case.

(5) Submit interim reports of all possible violations for which final reports have not been submitted to the ASA(FM&C) as required.

d. The ASA(FM&C) will decide whether the allegation is a violation reportable to DoD under DoD Directive 7200.1 and forwards applicable reports.

e. IG will--

(1) Investigate alleged violations that implicate members of ASA(FM&C) when requested by the ASA(FM&C) or directed by the Secretary of the Army (SA) or CSA.

(2) If the investigation indicates a probable violation, advise SA and provide a report of investigation to the ASA(FM&C) for preparation of the report of violation. The ASA(FM&C) coordinates the completed report of violation with AGC and forwards it to the Under Secretary of the Army, who determines whether a violation occurred that must be reported to Defense Finance and Accounting Service (DFAS).

f. The AGC will--

(1) Coordinate all reports of violation to be sent to OSD(C).

(2) Prepare a legal review of all aspects of alleged violations occurring in HQDA before presenting the report to the person named responsible and sending it to the ASA(FM&C).

g. Appropriation sponsors/managers and heads of U.S. Army staff agencies will -

(1) Review cases within their functional areas, as necessary, to help the ASA(FM&C) complete technical and legal reviews.

(2) Determine whether the appropriation involved is in a deficit position.

(3) Begin action to fund any deficit.

(4) Determine and implement necessary corrective actions.

7-7. Penalty for violation of antideficiency statutes

Antideficiency statutes state that any officer or employee of the United States who is in violation of antideficiency statutes is subject to appropriate administrative discipline, including suspension from duty without pay or removal (31 U.S.C., Sections 1349 and 1518). Those convicted of a knowing and willful violation may be fined not more than \$5,000 or imprisoned for not more than two years, or both (31 U.S.C., Sections 1350 and 1519). OSD requires disciplinary action in antideficiency violation cases because antideficiency violations are serious and affect the U.S. Army's credibility. Accordingly, disciplinary action must be taken seriously and imposed based on the facts and circumstances surrounding a violation. Disciplinary action does not depend on the final decision as to whether a violation occurred. The fact that a violation was not willful means only that it did not constitute a crime, not that it does not warrant disciplinary action. Circumstances such as "a heavy workload at year-end" or an employee's "past exemplary record" generally are relevant only in determining the appropriate level of disciplinary action, not in determining whether disciplinary action should be taken.

Section II

Financing of Requirements

7-8. General

Using funds for purposes other than those for which they were appropriated is a violation of 31 U.S.C. 1301(a). This is not an anti-deficiency violation, but could result in one if the required corrections cause an over-obligation or an over-expenditure in the proper account. A misapplication of funds will not cause an antideficiency violation if--

a. Proper funds were available when the misapplication occurred.

b. Proper funds were available when the misapplication was discovered and the appropriate corrections were made.

7-9. Professional requirements

To ensure proper administrative control of funds, accountants must be familiar with the following:

a. How allowances/allotments for each appropriation are issued and controlled.

b. Centrally managed allotments (CMAs).

c. Financing of working capital/revolving funds.

7-10. Responsibilities

General Operating Agency (GOA) responsibilities for CMAs are to--

a. Establish procedures for administering and controlling CMAs.

b. Ensure internal controls are maintained.

c. Develop projections of funding requirements based on current obligation estimates.

d. Ensure that CMAs remain solvent, which includes --

(1) Requesting or obtaining additional funding to meet projected needs.

(2) Taking action, if necessary, to cease all execution (commitments, obligations, and disbursements) in the CMA. This may include directing field activities to absorb obligations with their own operating funds, notifying disbursement offices to stop payments, or other actions.

7-11. Methods of financing requirements

a. GOAs.

(1) *Specific allowance or allotment.* The specific allowance/allotment is direct obligation authority issued to an installation or activity to accomplish mission objectives and provide base operation services. The GOA's allowance/allotment is the source of funds for distributing direct allowances/allotments to installations/activities. Direct allowances/allotments are provided in specific dollar amounts for a specified time period; are available for obligation coincidental with the effective date of the FAS document/ FAD; and are subject to restrictions identified on the FAS document/FAD. (See Chapter 6.)

(2) *Centrally Managed Allotments (CMAs).* CMAs are established to finance activities for which centralized controls are more practical. Special open allotments and restricted open allotments are types of funding that are included under the CMA definition (see DA Pam 37-100-FY for accounting classification identification). Examples of CMAs include military pay and allowances; evacuation of civilian employees; and, foreign currency fluctuation. DFAS-IN (DFAS-IN/AM) must approve all CMAs

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CALIFORNIA NATIONAL GUARD
JOINT COUNTERDRUG TASK FORCE
9800 Goethe Road
Sacramento, California 95826-9101

CAAG-CD-J1 (37-1b)

11 Feb 97

MEMORANDUM FOR USPFO for California, ATTN: COL Alexander/CAUS,
P.O. Box 8104, San Luis Obispo, CA 93403-8104

SUBJECT: Acceptance of Appointment as Fund Manager and Statement of Understanding

1. I fully understand and accept the appointment of Fund Manager and the delegation of authority to certify the availability of funds of the California Army National Guard.
2. I have read AR 37-1, dated 30 April 1991, paragraphs 7-6 through 7-8 and understand that in accordance with these chapters, I must not certify fund availability, incur an obligation, authorize the incurrence of an obligation, expend funds in excess of amounts, actually available under any administrative subdivision of funds, and I must not expend funds in excess or in advance of an appropriation or apportionment of funds for that purpose.
3. I further understand my responsibility to ensure that funds provided to me are used only for their intended purpose.

FOR THE COMMANDER:



CHARLOTTE L. MILLER
MAJ, QM, CA ARNG
Resource Management Officer

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CA ARNGR 37-1
APPENDIX B - ENCLOSURE 4

SAMPLE

ADVICE OF ANNUAL FUNDING PROGRAM & QUARTERLY ALLOTMENT

Fund Manager

Issued to: SSG Hancock

CHANGE: 7

File No: SA0

Appropriation: 2172065

Date Issued: 2 Dec 96

ANNUAL FUNDING PROGRAM

1. Receipt of change in AFP must be followed by prompt preparation and submission of a revised Program Manager Obligation Plan for Fiscal Year 1997 (USPFO Form 37-17F).

<u>MAMSCO</u>	<u>PREVIOUS AFP</u>	<u>INCREASED BY</u>	<u>DECREASED BY</u>	<u>CURRENT AFP</u>
510000.20 TECH TVL	24,500	25,500		50,000
510000.47 REPAIR PARTS	685,500		25,500	660,000
510000.71 CD - RE PARTS	1,500,000			1,500,000
510003.40 TECH TNG	17,200			17,200

USPFO Form 37-34F, Rev 03 Mar 97, Previous Editions are Obsolete

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CA ARNGR 37-1
APPENDIX C

SAMPLE

QUARTERLY ALLOTMENT

2. You are authorized to create obligations not to exceed the amounts shown in the following accounts for which you have been previously assigned responsibility.

<u>MAMSCO</u>	<u>FUND AUTHORIZATION THRU CURRENT QTR</u>
510000.20 TECH TRAVEL - STATE AVIATION	24,500
510000.47 AIR REPAIR PARTS	224,500
510000.71 CD-REPAIR PARTS/POL (FENCED)	1,500,000
510003.40 TECHNICIAN TRAINING	6,000

Remarks: FY97 Allotment per CAUS-BD, effective
2 Dec 96.

3. The amount indicated hereon represents an authorized target which will not be exceeded without prior approval of the issuing authority. This target, in itself, does not constitute a fund limitation under the provisions of DFAS-IN 37-1. However, each operating official should recognize that exceeding this fund authorization may result in an over-obligation at appropriation level or of the project account level as included in NGB funding documents, either of which would be a violation of DFAS-IN 37-1 and U.S. Code 31-1517.

/S/JOHN R. ALEXANDER
Colonel, NGB
USPFO for California

USPFO Form 37-34F, Rev 03 Mar 97, Previous Editions are Obsolete

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CA ARNGR 37-1
APPENDIX C

PROGRAMMED QUARTERLY OBJECTIVES

1. Reference: CA ARNGR Regulation 37-1, Administrative Control of Appropriated Funds.
2. This form is the means by which Fund Managers inform the USPFO Budget Officer of projected funding requirements by quarter.
3. This form must be submitted to the USPFO Budget Officer:
 - a. Upon receipt of tentative Annual Fund Program (AFP) for the next fiscal year.
 - b. Upon receipt of an increase or decrease in AFP.
 - c. Anytime there is a change in projected quarterly funding requirements.
4. Quarterly amounts are cumulative with the 4th quarter funding equal to the AFP.
5. Signature of the Fund Manager on this form will be construed as his/her acknowledgment that he/she has read and understands DFAS-IN Regulation 37-1, Army Accounting and Fund Control and, in particular, Chapter 7, Administrative Control of Appropriations.

Programmed Objectives (Cumulative)

<u>ACCOUNT</u>	<u>AFP</u>	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>
----------------	------------	----------------	----------------	----------------	----------------

SUBMITTED BY: _____

DATE: _____

USPFO Form 37-17F, Rev 03 Mar 97, previous editions are obsolete



DEPARTMENTS OF THE ARMY AND AIR FORCE
NATIONAL GUARD BUREAU
US PROPERTY AND FISCAL OFFICER FOR CALIFORNIA
POST OFFICE BOX 8104
SAN LUIS OBISPO, CALIFORNIA 93403-8104



CAUS-CM

5 February 1997

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Fund Control Policy and Procedures for FY97

SECTION I: GENERAL

Each year the USPFO evaluates how well our ongoing and yearend fund control procedures contribute to, or hinder, smooth and efficient execution of federal funds. As a result, the following policies and procedures are in effect for FY97. Changes from FY96 are in **bold**.

SECTION II: YEAR-ROUND PROCEDURES

1. One key problem has been poor execution of funding for the majority of the year, with substantial purchases rushed through toward the end of the fiscal year. This has been the case more frequently in accounts in the 2065 appropriation where the primary mode of obligation is through depot requisitions and commercial purchases.
2. To encourage more even execution during the course of the year, the Budget Officer will closely monitor execution against the Programmed Quarterly Objectives prepared by all Fund Managers. On a monthly basis, Fund Managers with a deviation of greater than +/-10% of plan will be contacted by the Budget Officer to determine if a change in **obligation** plans is necessary.
3. On a quarterly basis, Program Directors will receive a report showing obligations in their Fund Managers' account to date. Those with significant unresolved deviation above or below their quarterly allotment will be requested to provide a written explanation.
4. At anytime during the fiscal year, the following actions will be taken if an account is over its Annual Funding Program (AFP). The USPFO Budget Officer will immediately contact the Fund Manager for the account involved to discuss the situation and possible corrective actions. If corrective actions are not taken, or cannot be taken, within a short period, the Financial Manager

CAUS-CM

SUBJECT: Fund Control Policy and Procedures for FY97

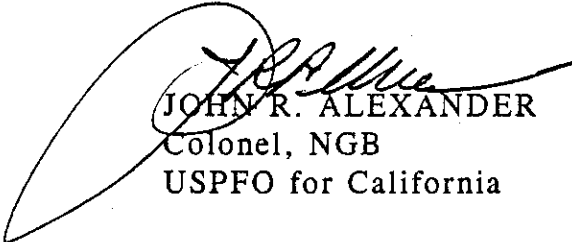
Otherwise, remaining 2065 funding will be obligated by the S&S Division in accordance with PBAC/ERAC priorities.

4. **BPA's and credit cards.** A memo will be sent to all BPA ordering officers and IMPAC credit card holders in early August explaining restrictions on BPA and credit card use after 23 August 1997.

6. **During the first week of September** the USPFO Budget Officer will contact each Fund Manager who obligated via AFCOS to discuss their situation and actions for the remainder of the fiscal year. **As needed during September**, level 5 approval authority will be withdrawn for all FY97 accounts within AFCOS. **Once AFCOS authority has been withdrawn**, FY97 orders may be published only through telephonic or fax coordination with the USPFO Comptroller (CM) Division.

7. Internal to the USPFO, the CM, S&S, and P&C Divisions will coordinate to ensure a list of all purchase requests in process after **15 August 1997** is kept up to date for all parties. The S&S Division will ensure that all "potential" requisition registers are approved with the CM Division prior to processing.

8. The purpose of these procedures is to ensure against an overobligation at a time when the margin for error is shrinking, and to promote the most effective use of the CA ARNG's limited resources. Fiscal discipline is a personal responsibility for every Fund Manager and Program Director. Your compliance with, and procedures is appreciated. Questions regarding these procedures should be directed to MAJ Bourbeau, the Financial Manager, or CW4 Atkins, the Budget Officer, at CAGNET 6-6226 (DSN 630-6226) or CAGNET 6-6230 (DSN 630-6230) respectively.



JOHN R. ALEXANDER
Colonel, NGB
USPFO for California

DISTRIBUTION:
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FISCAL YEAR EVENT CALENDAR

OCT	NOV	DEC	JAN	FEB	MAR
Budget Officer (BO) provides AFP and Oblig Authority to Fund Managers (FMs), or CRA guidance if applicable.		1st Qtr ends 31 Dec	2nd Qtr Allotment rcvd/distributed. BO reviews 1st Qtr execution.	Mid-Year Review Instructions to Fms.	Mid-Year Review input due to USPFO from FM. PBAC Meeting on Mid-Year Review input (time permitting).
		PBAC Meeting: Prior FY Performance, current FY outlook, and reprogramming.			Mid-Year Review due NGB.
				2nd Qtr end 31 March. PBAC Meeting if needed for reprogramming.	
APR	MAY	JUN	JUL	AUG	SEP
3rd Qtr funding rcvd/ distributed. State Operating Budget (SOB) preparation instructions to PD/FMs. Distribution of Mid-Year Markup, if any, to PD/FMs.	State Operating Budget input due to USPFO from Fms. PBAC Meeting on draft budget for next FY, and reprogramming if needed.	3rd Qtr ends 30 Jun. FMs review accounts for excess/under funded and notifying BO. SOB due at NGB.	4th Qtr funding rcvd/ distributed. Reiterate year end procedures.	PBAC Meeting: Current FY performance if necessary. Current FY Close. Next FY AFG Review	Inform PDs of tentative AFP for next FY. Year-end procedures: Fund control centralized at the USPFO. Programmed Quarterly Objectives due to BO from Fms for next FY. Notify PD/FMs of CRA provisions, if applicable, for ensuing FY.

TYPICAL - Specific time frames may vary.

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CA ARNGR 37-1
APPENDIX F